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Turkey

Grain and Feed

Grain Update

2007

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Report Highlights:
Turkey's worst drought in decades has adversely affected most crops, including grains. Grain production in the Aegean, Thrace, and especially the Central Anatolia Regions was reduced significantly. Consequently both wheat and barley MY2007 production estimates have been significantly reduced, to 15.5 MMT and 6.5 MMT respectively. Crop quality has also been seriously affected. The outlook for the first crop corn harvest is fair, but there are concerns that yields will be lower for second crop corn that will be harvested in late October and November. Turkey is now forecast to import 2.5 MMT of grain in MY2007, including wheat and corn and/or barley, depending on world market prices. Demand for corn products, such as, DDGS, corn bran, and corn gluten, is increasing; imports of these feed ingredients could lower grain demand. Availability of GSM-102 credit may give exporters of U.S. wheat a market advantage in a time of high world prices.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Ankara [TU1]
[TU]

Executive Summary

Most of Turkey is experiencing one of its most severe droughts in decades, made worse by very hot weather in many parts of the country. The Eastern and Southeastern regions where rainfall has been near normal levels are the only exceptions. Drought has affected most crops, including grains. Grain production was significantly reduced in the Aegean, Thrace, and especially the Central Anatolia Region, which produces more than any other region. The "wheat belt" area between Ankara and Konya was affected most. Water rationing has been introduced in the capital, Ankara.

Consequently, both wheat and barley production estimates have been revised downward. Lower wheat quality due to drought is an additional adverse factor. The first crop corn harvest will be starting soon, and the outlook is about normal; however, there are a lot of concerns about the second crop corn that will be harvested in late October and November.

Wheat

Wheat production estimates still vary considerably. Industry sources estimate MY 2007 production around 15.5 MMT compared to 17.5 MMT last year. Additionally, the quality of MY 2007 wheat is low due to the hot and dry weather conditions during the growing season. At this point, the consensus wheat production estimate is 15.5 MMT.

Forecast wheat imports for MY2007 have been raised to 2.0 MMT, which may include some feed wheat in addition to high-quality milling wheat for blending. The availability of GSM-102 credit may give exporters of U.S. wheat a market advantage in a time of high world prices. The Turkish Grain Board (TMO) is actively planning an import program.

PSD for Wheat

Turkey Wheat										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		06/2005	06/2005		06/2006	06/2006		06/2007	06/2007	MM/YYYY
Area Harvested	8600	8600	8600	8600	8600	8600	8600	8600	8600	1000 HA
Beginning Stocks	1795	1795	1795	1096	1275	1096	1396	1125	1396	1000 MT
Production	18500	18500	18500	17500	17500	17500	16000	17000	15500	1000 MT
MY Imports	74	50	74	1450	1000	1450	1200	1500	2000	1000 MT
TY Imports	64	64	64	1450	1000	1450	1200	1500	2000	1000 MT
TY Imp. from U.S.	48	2	48	0	0	0	0	0	0	1000 MT
Total Supply	20369	20345	20369	20046	19775	20046	18596	19625	18896	1000 MT
MY Exports	3173	2970	3173	2000	2000	2000	1500	2000	1500	1000 MT
TY Exports	2900	3080	2900	2000	2000	2000	1500	2000	1500	1000 MT
Feed Consumption	400	400	400	800	800	800	400	800	600	1000 MT
FSI Consumption	15700	15700	15700	15850	15850	15850	15800	16000	15800	1000 MT
Total Consumption	16100	16100	16100	16650	16650	16650	16200	16800	16400	1000 MT
Ending Stocks	1096	1275	1096	1396	1125	1396	896	825	996	1000 MT
Total Distribution	20369	20345	20369	20046	19775	20046	18596	19625	18896	1000 MT
Yield	2.1511	2.1511	2.1511	2.0348	2.0348	2.0348	1.8604	1.9767	1.8023	MT/HA

Barley

Barley is produced in the same regions as wheat, primarily in Central Anatolia, and therefore also has been affected by drought. Barley is primarily used in large ruminant rations in Turkey. Some feed millers are stating that a reduction in barley production should not affect the livestock sector since barley can easily be replaced –and some say should be replaced--by corn and corn by products. However, to avoid speculation, Turkish Grain Board (TMO) may open some tenders to buy barley. This also will depend on the domestic corn harvest outlook and comparable prices of corn and barley in the world markets.

PSD for Barley

Turkey Barley										
	200	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		06/2005	06/2005		06/2006	06/2006		06/2007	06/2007	MM/YYYY
Area Harvested	3600	3600	3600	3600	3500	3600	3600	0	3600	1000 HA
Beginning Stocks	890	860	890	702	760	702	702	760	702	1000 MT
Production	7600	7600	7600	7500	7600	7500	7300	0	6500	1000 MT
MY Imports	53	0	53	50	0	50	25	0	200	1000 MT
TY Imports	52	0	52	50	0	50	25	0	200	1000 MT
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	1000 MT
Total Supply	8543	8460	8543	8252	8360	8252	8027	760	7402	1000 MT
MY Exports	541	400	541	250	200	250	0	0	0	1000 MT
TY Exports	550	400	550	250	200	250	0	0	0	1000 MT
Feed Consumption	6400	6400	6400	6400	6500	6400	6500	0	6100	1000 MT
FSI Consumption	900	900	900	900	900	900	900	0	900	1000 MT
Total Consumption	7300	7300	7300	7300	7400	7300	7400	0	7000	1000 MT
Ending Stocks	702	760	702	702	760	702	627	0	402	1000 MT
Total Distribution	8543	8460	8543	8252	8360	8252	8027	0	7402	1000 MT
Yield	2.1111	2.1111	2.1111	2.0833	2.1714	2.0833	2.0277	0	1.8055	MT/HA

Corn

The first crop corn harvest that will start later in August looks normal so far. However, at this point there are some concerns about the second crop corn yields, and consequently the forecast for MY2007/08 has been reduced to 6.5 MMT. Corn growers had been encouraged by high market prices in MY 2006 and, as a result, MY 2007 corn planted areas jumped back to the MY 2005 levels. Even if Turkey produces 3.7 MMT of corn, nevertheless it is projected to import some corn due to increased demand caused by reduction in barley production. At the same time, rapidly rising imports of some other corn products, such as DDGS, corn bran, corn gluten, etc., may slow the demand for corn imports.

PSD for Corn

Turkey Corn										
	2005	Revised		2006	Estimate		2007	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		09/2005	09/2005		09/2006	09/2006		09/2007	09/2007	MM/YYYY
Area Harvested	800	800	550	650	650	450	800	800	550	1000 HA
Beginning Stocks	431	431	431	398	398	398	398	398	398	1000 MT
Production	3700	3700	3700	3000	3000	3000	3700	3700	3700	1000 MT

MY Imports	67	67	67	400	500	400	0	0	300	1000 MT
TY Imports	61	218	61	400	500	400	0	0	300	1000 MT
TY Imp. from U.S.	37	15	37	0	0	0	0	0	0	1000 MT
Total Supply	4198	4198	4198	3798	3898	3798	4098	4098	4398	1000 MT
MY Exports	300	300	300	0	0	0	0	0	0	1000 MT
TY Exports	300	128	300	0	0	0	0	0	0	1000 MT
Feed Consumption	2600	2600	2600	2500	2600	2500	2700	2700	3000	1000 MT
FSI Consumption	900	900	900	900	900	900	900	900	900	1000 MT
Total Consumption	3500	3500	3500	3400	3500	3400	3600	3600	3900	1000 MT
Ending Stocks	398	398	398	398	398	398	498	498	498	1000 MT
Total Distribution	4198	4198	4198	3798	3898	3798	4098	4098	4398	1000 MT
Yield	4.625	4.625	6.7272	4.6153	4.6153	6.6667	4.625	4.625	6.7273	MT/HA

Important Note on Area Planted: PSD corn planted area for MY 2005, MY 2006, and MY 2007 all have been revised downward due to increase in estimated yields of the second crop corn production, which is now estimated to comprise about 70 percent of the total corn production. This revision was made according to industry sources, traders, and growers. We previously were following the official data for planting.